Value-Based Purchasing: Key Components to Balancing Care and Cost

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Critical Balance for Value and Cost
Using Performance Measures

Performance measures include both processes and outcomes

Value achieved through better quality of care OR by reducing care?

Payers pay for value; providers must provide results and outcomes

New Levels of Accountability for Providers and Managed Care To Balance Care and Cost

- Accountability for a population (public health model)
  - Greatest risk are the enrollees that are <u>not engaged</u> in treatment

- Focus on quality of care rather than quality of services

- Financial risk-sharing to achieve outcomes lowers overall costs

- Providers MUST
  - deliver outcome-based care
  - manage inside alternative payment models not FFS but pay for impact

GAME CHANGER

Provider Readiness For Managed Care:
Business and Clinical Transformation

Accountability is the pillar of reform

– Accountable stewards of healthcare resources

Increased pressure to

– Be effective: Metrics and demonstrated outcomes

– Be efficient: Is your cost of care competitive?

Adapt to changing revenue methods

– Community-based early delivery of care, as more restrictive, higher-cost care is reduced.

Requires Outcomes/Results Demonstration
Sample Process and Results Leading to Higher Value

- Reducing clinician variance and variation
- Access to rapid care without delay
- Measuring and reporting functional improvement and symptom change
- Reducing high cost utilization – e.g. hospital, ED, and Residential Care
- Reducing cost of care components and total cost of care
- Improving consumer experience of care
- Improving health outcomes

Quality and Costs: Do We Know Both?

Our Costing Methodology Defined —

Total Cost for Service Delivery
- Direct Service Staff Salary
- Direct Service Staff Fringe Benefits
- Non-Direct Costs (All other costs)

Total Revenue for Service Delivery
- Net Reimbursement actually Attained/ Deposited. *(This takes into account Denial Rate, Self Pay, Sliding Fee Scale, etc.)*

- Divided By -

Total Billable Direct Service Hours Delivered **
- All Direct Service Hours Delivered by Direct Service Staff that are eligible to be billed via a CPT Code or against a Grant.

** Utilizing the common denominator of total Billable Direct Service Hours instead of total hours worked per year assures an apples to apples comparison of an organization's true cost versus revenue per direct service hour.

Managed Behavioral Health Concerns Considered for VBP

- Super Utilizers: Inappropriate and/or overutilization of certain services (high cost services)

- Fast access to lower cost services for members

- Better practices leading to improved care

- Coordinated care leads to decreased costs

- Determining the value of care

Provider Concerns
Social Determinants of Health in Value-Based Care

Mounting evidence against Social Determinants of Health interventions improving outcomes and lowering costs for providers

– Meeting daily needs such as housing and food
– Access to education and job opportunities
– Job training
– Access to health care services
– Community-based resources in support of community living
– Transportation

Costs of care including social determinants are believed to cost more

Use of data-driven information to communicate the proper level of care

– ICD-10 use of the "Z" codes reported to the health plan would be the Social Determinant of Health indicator. Are proper diagnoses currently being provided?

Transformation Processes Needed

Utilization of services: volume to value
- escaping "the more we do the more we are paid"

Focus on measured results and reduced cost

Reduce unrealized service capacity
- increases your cost and reduces your results, managing utilization

Transform treatment approaches producing results
- Focus on engagement, treat to target, modification of treatment plan according to client progress

Data management capabilities to drive results

Effective and low cost documentation, back office functions

Service Utilization: Four Results of Effective Care

Are People Receiving the……

1. Right/best service
2. Right Time
3. Right Intensity/frequency
4. Right Cost

Are Providers Delivering…..

1. Max value with amount of care benchmarked against standards, clinical guidelines
2. Best outcomes at the lowest cost
3. Move from a supply-driven health care system organized around clinical processes and toward a consumer-centered system organized around what consumers need
4. Know what data is sent to payers through claims-e.g. sending the same ICD-10 Dx code without modification as the consumer improves tells payer consumer has not responded to treatment.

How a Not-For-Profit Provider Prepares for Success

Jason Barkey, MPA, Director of Quality Improvement
St. Joseph Orphanage Cincinnati, Ohio
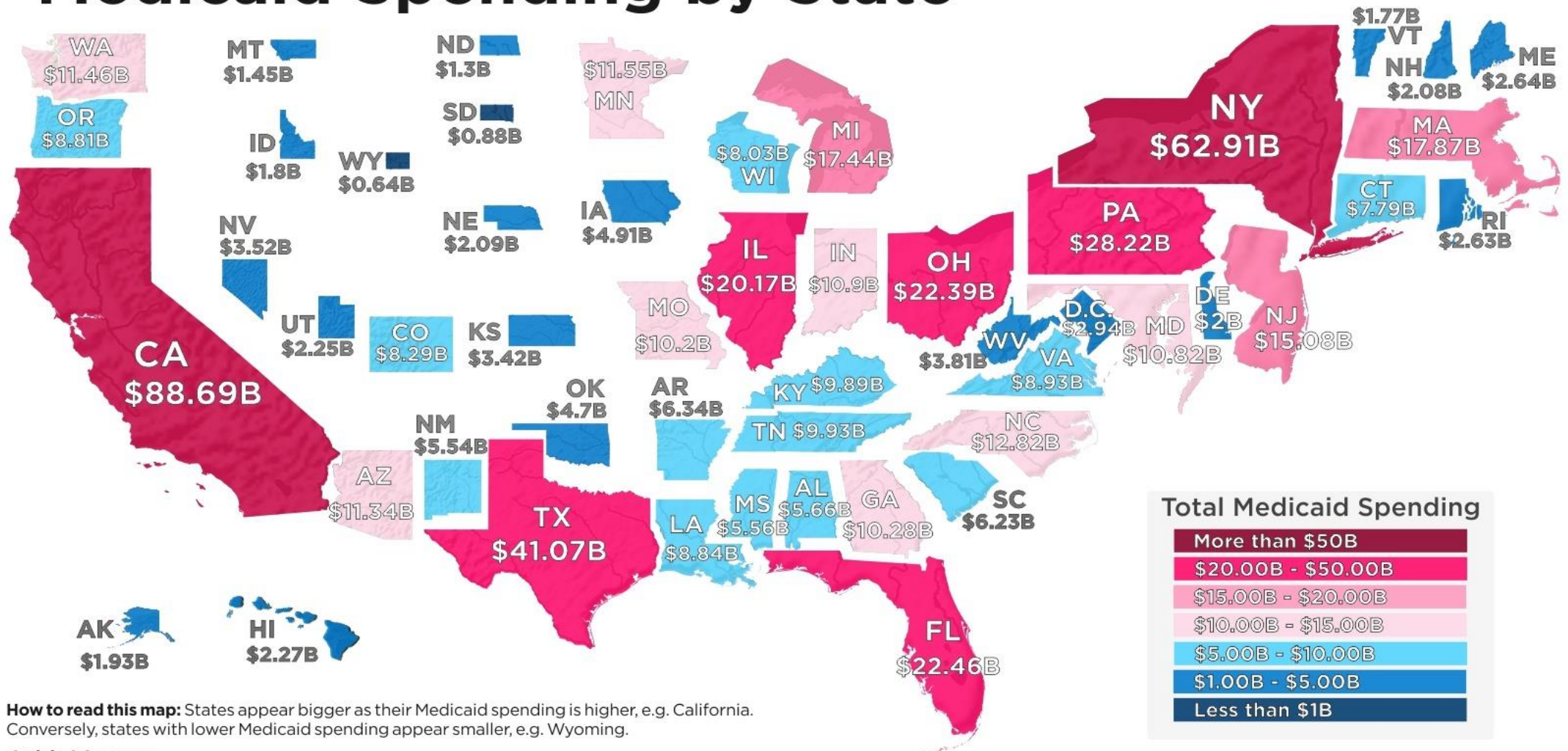
ADHD & ODD in Ohio by the Numbers

Youth diagnosed with ADHD

8.9% in 2003 to 14.2% in 2011

ADHD episodes for Medicaid beneficiaries age 4-20

- 70,000 from October 2014 to September 2015
- $130 million in Medicaid spending

Youth affected by ODD

20% of school aged children

ODD episodes for Medicaid beneficiaries age 4-20

- >11,000 from October 2014 to September 2015
- $27 million in Medicaid spending

Changes in Ohio

- **Elevation**

  – Financing of Medicaid behavioral health services moved from county administrators to the state-- completed July 2012

- **Expansion**

  – Ohio implemented Medicaid expansion to extend Medicaid coverage to more low-income Ohioans, including 500,000 residents with behavioral health needs– completed January 2014

- **Modernization**

  – ODM and Ohio MHAS updated code sets to align with national correct health care coding standards-completed Jan 2018

- **Integration**

  – Behavioral health benefits will be "carved in" to Medicaid Managed Care– completed July 2018

Preparations

The changes proposed by the state were both a burden and an opportunity for SJO

- – Motivated to be the premier behavioral health organization in the Greater Cincinnati area
- – Invested in preparations such as growth in Quality and Billing departments to provide infrastructure needed
- – Worked with trade organizations (The Ohio Council and Ohio Children's Alliance) to stay informed and advocate for our needs and preferences
- – Reframed priorities such as engagement, utilization, and use of data to better position ourselves
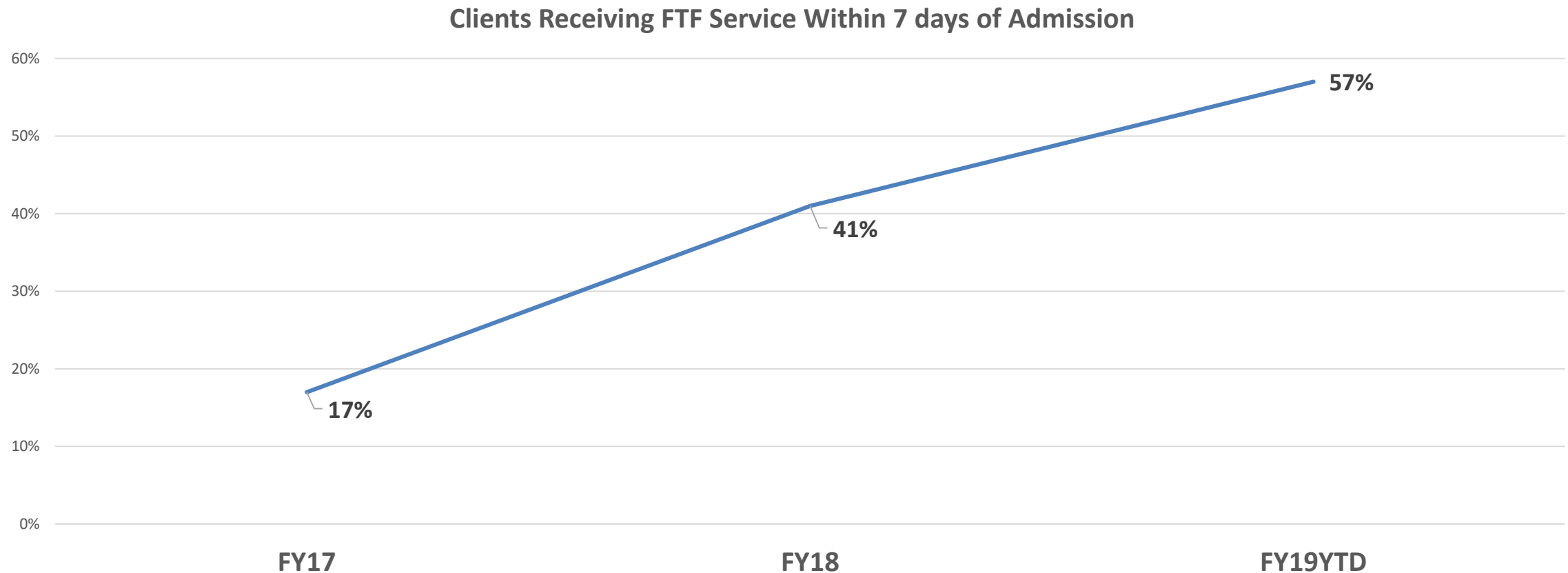
Using Data
Increasing clients served required shorter admission appointments
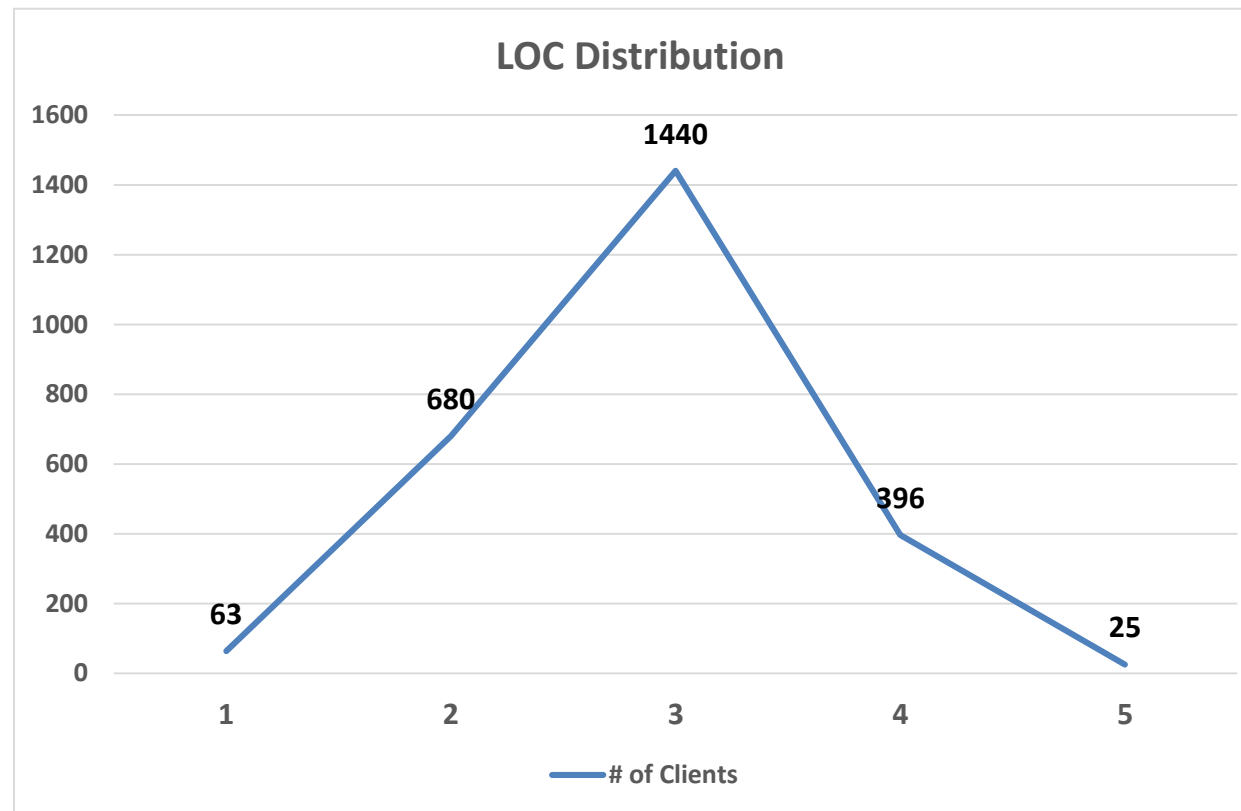

Avg. Minutes per Assessment
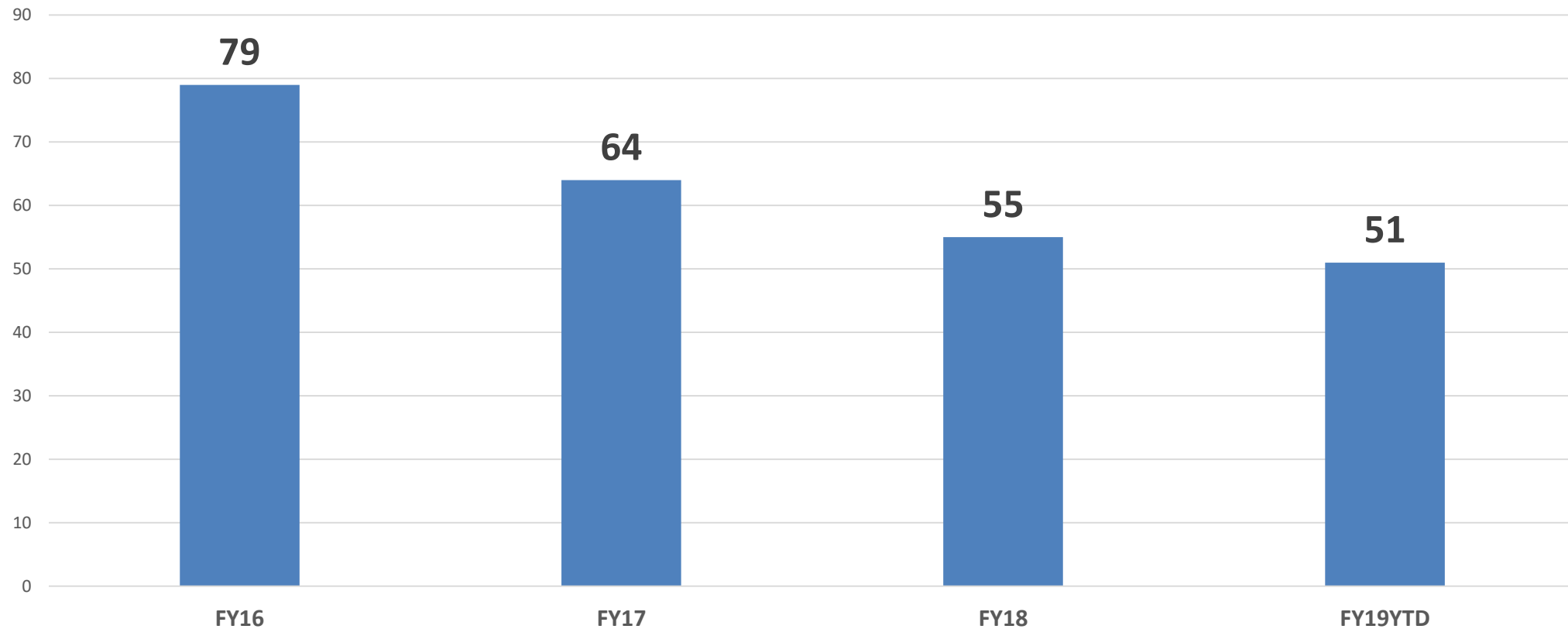
Using Data

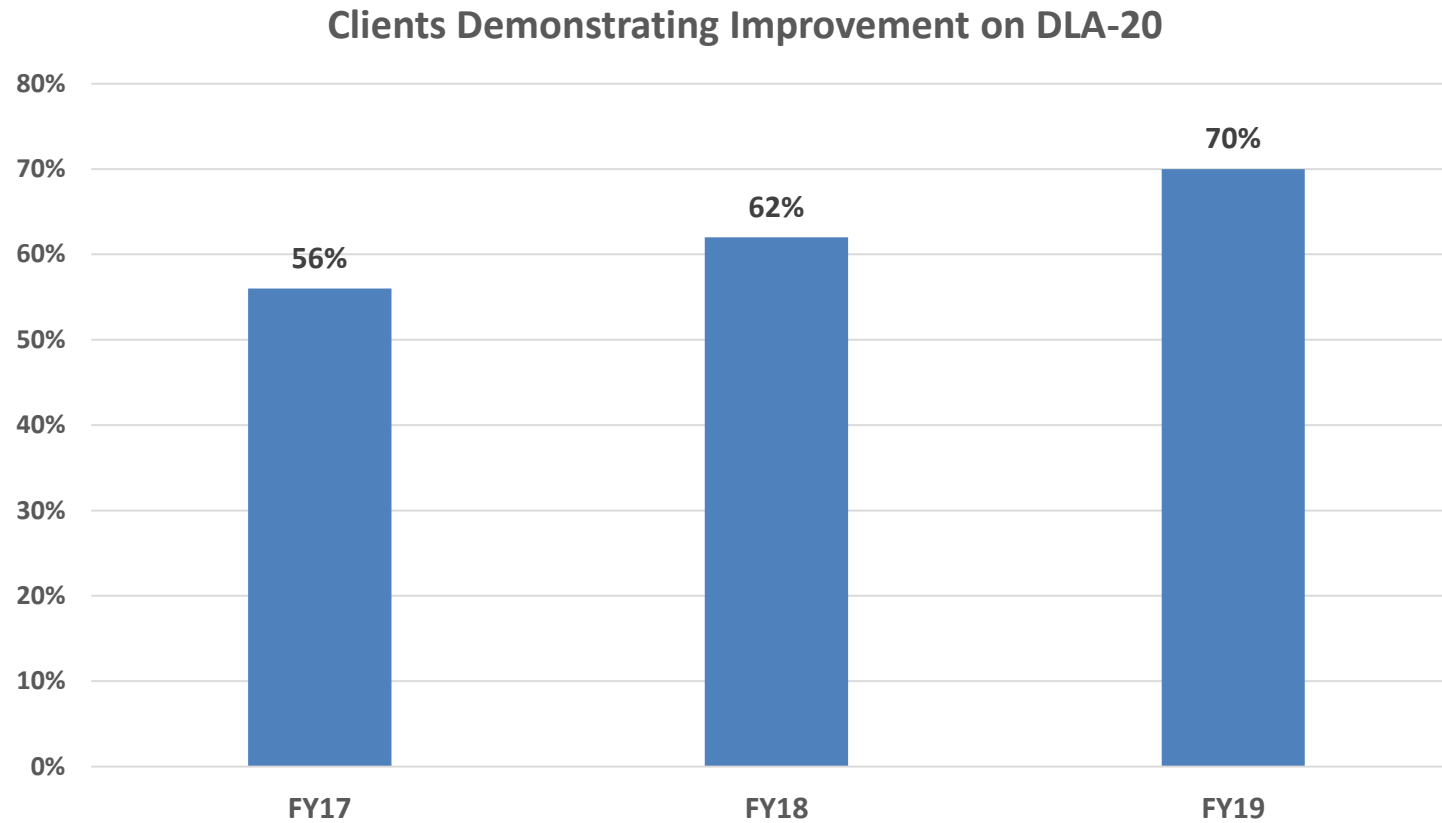## After admission, engagement became a key focus

Clients Receiving FTF Service Within 7 days of Admission

Using Data

SJO implemented a Level of Care tool to manage risk and better understand our population

LOC Distribution

# of Clients

1: 63, 2: 680, 3: 1440, 4: 396, 5: 25

Using Data
Understanding the value of demonstrating positive outcomes

Clients Demonstrating Improvement on DLA-20

Using Data
Increasing capacity to meet the community's needs

Number of Clients Served
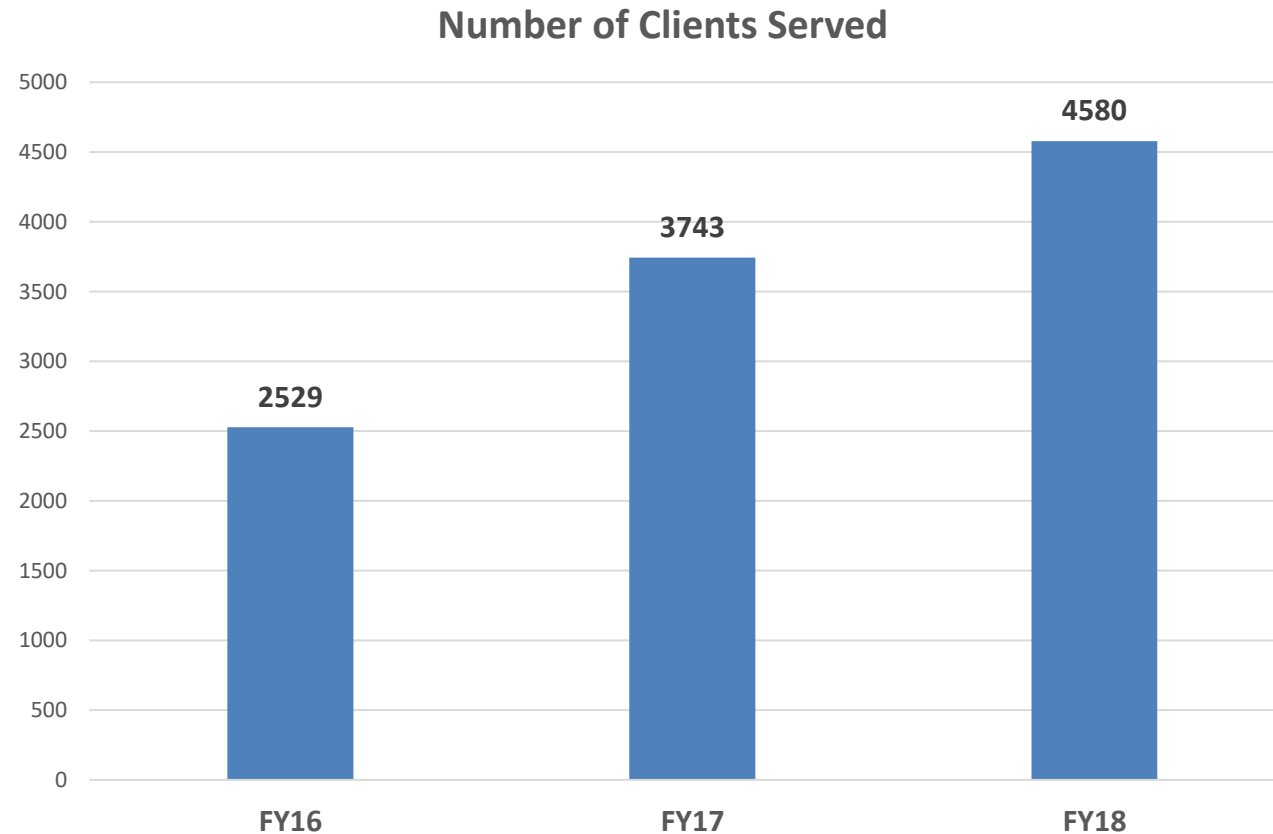
Using Data
Identifying our costs per unit for each service

Residential Cost per Unit
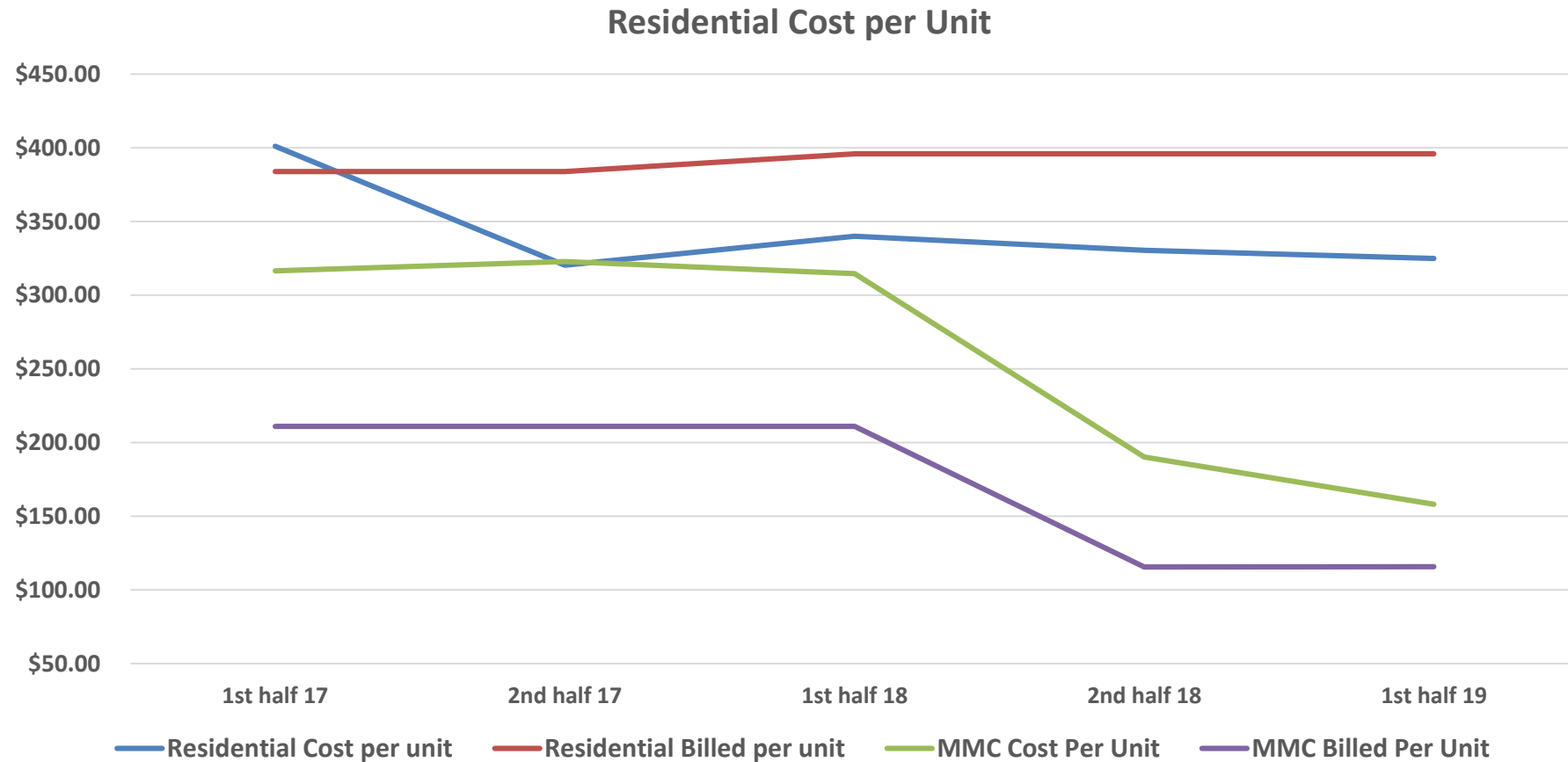
Using Data
Implemented Quarterly Quality Meetings for each line of service

Quarterly Quality Report

Customer Service	FY16	FY17	Q1	Q2	Q3	Q4	FY18	2018 Target
Respondents recommend services to family and colleagues	N/A	62 NPS	N/A	44 NPS	44 NPS	23 NPS	37 NPS	65 NPS
Respondents will report being satisfied with the quality of services	N/A	84%	N/A	78%	100%	100%	93%	90%
Respondents report satisfaction with level of communication with program staff	N/A	84%	N/A	66%	100%	100%	89%	90%
Best Practices	FY16	FY17	Q1	Q2	Q3	Q4	FY18	2018 Target
Active clients will have a completed DLA-20 assessment for the quarter	N/A	59%	91%	96%	100%	97%	96%	100%
Clients will show an overall improvement on their DLA-20 score.	N/A	21%	43%	36%	65%	70%	54%	33%
Clients will move to a treat-to-target ISP	N/A	N/A	N/A	N/A	N/A	100%	100%	100%
Clients will be making progress towards or have completed their High School/GED/College/Trade/Empl	N/A	54%	69%	77%	71%	61%	70%	55%
Clients have been employed for 6 weeks	N/A	63%	63%	92%	46%	61%	66%	70%
Clients have not accrued new charges	N/A	69%	88%	94%	89%	89%	90%	75%
Client will maintain placement	N/A	60%	63%	83%	57%	83%	72%	65%
Clients have not been hospitalized	N/A	77%	84%	94%	100%	95%	93%	85%
Safe Environment	FY16	FY17	Q1	Q2	Q3	Q4	FY18	2018 Target
Program staff will report feeling safe	N/A	100%	67%	100%	100%	N/A	89%	100%
Clients report feeling safe	N/A	100%	100%	100%	100%	100%	100%	100%
Engaged Staff	FY16	FY17	Q1	Q2	Q3	Q4	FY18	2018 Target
Staff will report being satisfied	N/A	100%	67%	100%	100%	N/A	89%	100%
Turnover is minimized	N/A	43%	0%	0%	14%	14%	7%	50%
Financial Performance	FY16	FY17	Q1	Q2	Q3	Q4	FY18	2018 Target
Service will maintain financial stability by showing a neutral or positive YTD Net Figure	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Hurdles

- Shifting the culture
  - Opportunity to create a new future (190 years old)
  - Quantity to Quality– Pay for performance concepts
  - Documentation shifts
  - Managing to these significant changes

- Educating clinical staff on changes

- Obtaining reliable, valid data from EHR

Action Steps

Moved to a treat to target treatment plan
– shorter and more consumer friendly

Established a more robust clearing house
– allows front desk and eligibility staff to confirm coverage

Implemented an in-depth documentation training
– to reduce the risk of payback to the Agency while providing the staff member with the skills to document thoroughly and efficiently

Redefined and modernized many back office processes
– including co-pay collection, customer service, timely billing and aggressive follow up on denied claims

Provided staff training
– motivational interviewing, collaborative documentation, ICD10 diagnosing, treat to target

Action Steps

Implemented central scheduling

Reduced assessment times for access appointments

Reduced all appointment times overall
- including pharm mgmt, therapy, and case management

Implemented end of appointment survey
- 4 question satisfaction survey to continuously monitor for process improvement activities

Implemented engagement specialist

Implemented a Level of Care tool and managed utilization accordingly

Geo-mapped staff
- for case assignments to increase efficiency

Data Management for Systems Learning
and
Value Based Purchasing Negotiations and Management

Mike Garrett, MS, LCP

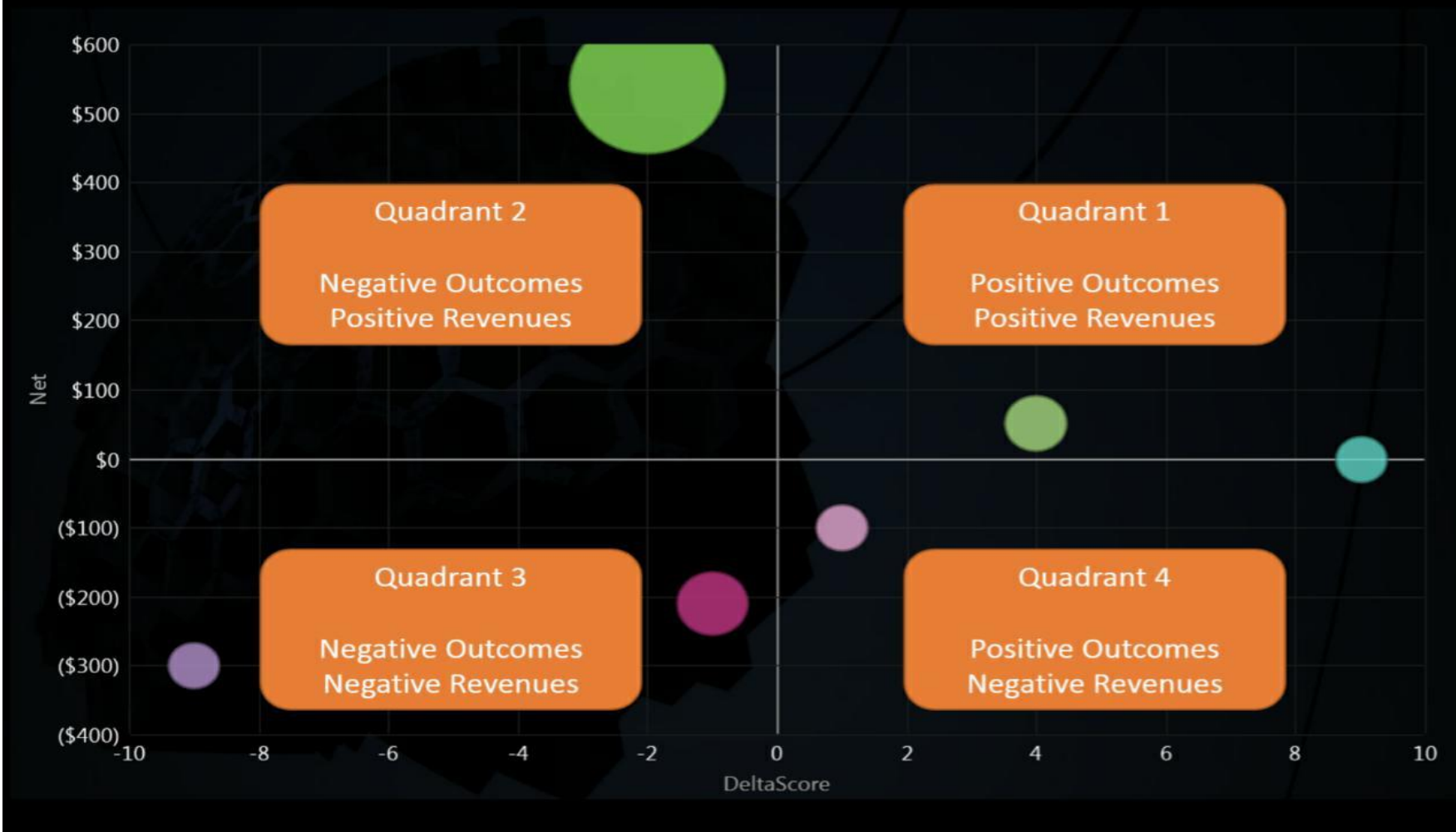MTM Services Consultant
CEO Horizons Mental Health Center
Past President, Association of Community Mental Health Centers of Kansas
(ACMHCK)

Background

- **Association of CMHCs of Kansas (ACMHCK)**
  - 2008 Costing Study; determine overhead versus revenue
  - 2011 Costing Study; determine cost/revenue by provider type
  - 2015 Costing Study; determine cost/revenue by CPT/ HCPCS codes
  - 2017 Costing Study; update of cost/revenue by CPT/HCPCS codes
- **Goal was to demonstrate the Value of Care**
  - Added DLA-20 Outcome data
  - Added Level of Care model
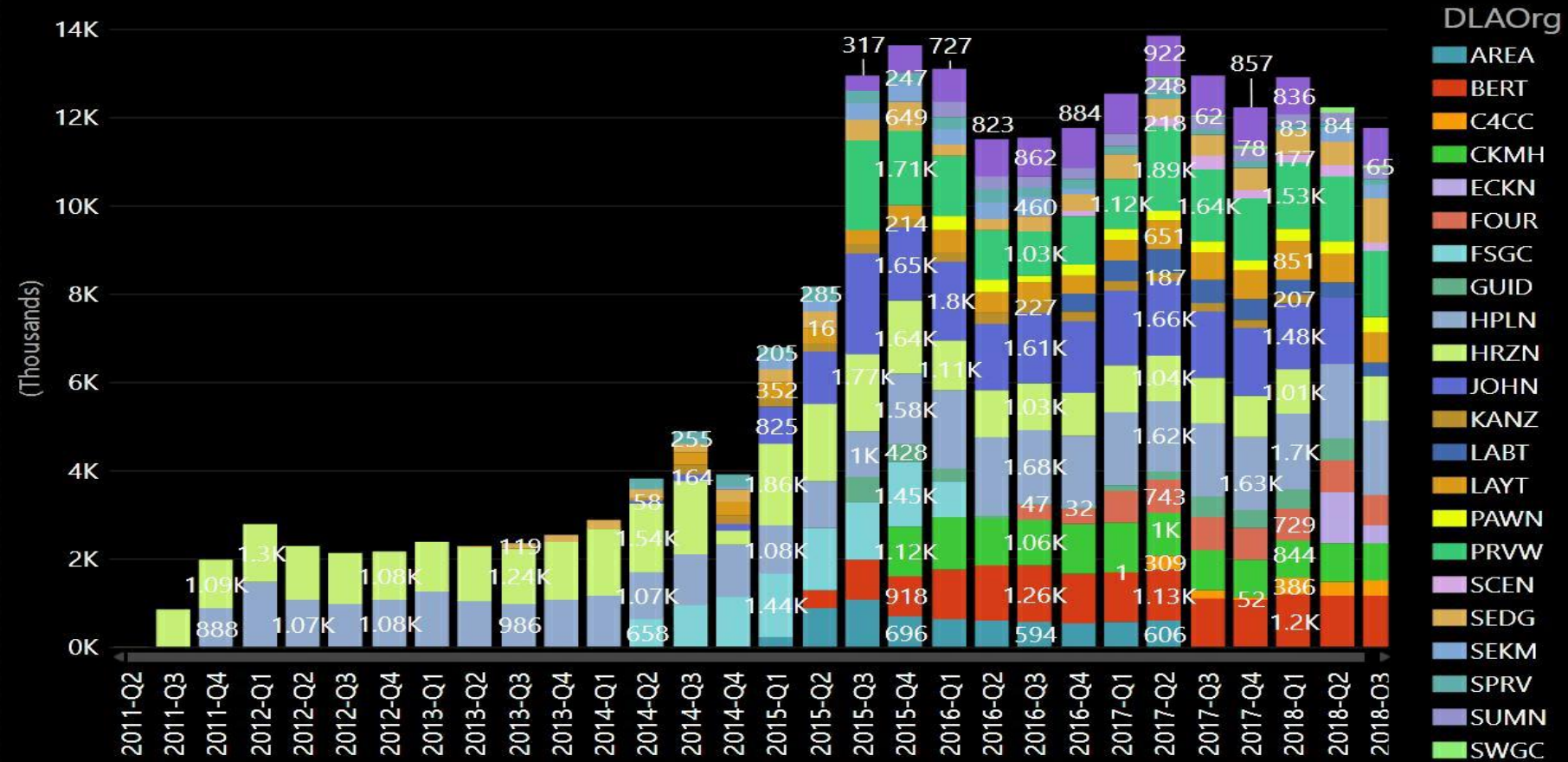 - Ability to determine Costs/Revenue by CPT/HCPCS code, diagnosis or LOC

Value of Care Stratification

2B. Cases with DLA Scores Timeline

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Level of Care # 3	SERVICE	AMOUNT	AVERAGE COST
	Typical Length of Services: 1 to 3 Years (Reassessed every 90 days)		
Indicators of Level:	1. Diagnosis/Assessment	• Maximum of 2 contacts	
• Qualifying DSM 5 Diagnosis (Z codes excluded) AND	1. Crisis Interventions	• As medically necessary	
• CAFAS total score of 50-90 or 30 on one subscale	1. Counseling/Psychotherapy	• Individual: Up to 12 sessions per 90 days AND/OR • Family Therapy: Up to 12 sessions per 90 days AND/OR • Group: Up to 12 sessions per 90 days Maximum of 36 total sessions	
• PECFAS total score of 50-90 or 30 on one subscale for children under 6 years of age <u>NOTE</u>:. SED waiver patients will be managed independently of LOC system	1. Medication/Somatic Services	• 4-6 contacts per 90 days	
<u>Program-specific Criteria:</u> • Evaluation for SED/CBS	1. Psychiatric Rehab Services	• CPST • TCM • Psychosocial Individual • Psychosocial Group • Attendant Care Combination of up to 12 hours per week of eligible CBS services	

<u>Possible Descriptors:</u>

- Possible history of hospitalizations in past 2 years & may need stabilization
- Impaired structure and supports in his/her life, e.g., includes situational loss
- Everyday functioning in school or in residence is <u>moderately to seriously impaired </u>(e.g., school refusal/anxiety, unable to stay in school, or failing school, or unable to function safely) Serious impairment in relationships with friends (e.g., very few or no friends, or avoids current friends); Problems with the law (e.g., shoplifting, arrests) or frequent episodes of combative, aggressive, antisocial behavior.
- 1-3 Serious Symptoms from the following list:
- Serious impairment in judgment (incl. inability to make safe decisions, confusion, disorientation)
- Serious impairment in thinking (incl. ruminations, rituals, constant preoccupation w/ thoughts, distorted body image, paranoia)
- Serious impairment in mood (incl. constant depressed mood, passive suicidal ideation or agitation, or manic mood)
- Serious impairment due to anxiety (panic attacks, overwhelming anxiety). Other symptoms: delusions, or obsessional rituals

<u>Transition/Discharge Criteria:</u>

- Psychiatric symptoms & behavior & functioning have improved and a less intensive level of care is appropriate.
- Satisfactory effectiveness with prescribed Medications
- Family/Self Administers Medications
- Private Means of obtaining medications if discharged
- School, Community integration/support
- Medical needs addressed
- Stabilized residence
- Client is goal directed; Attending school, work
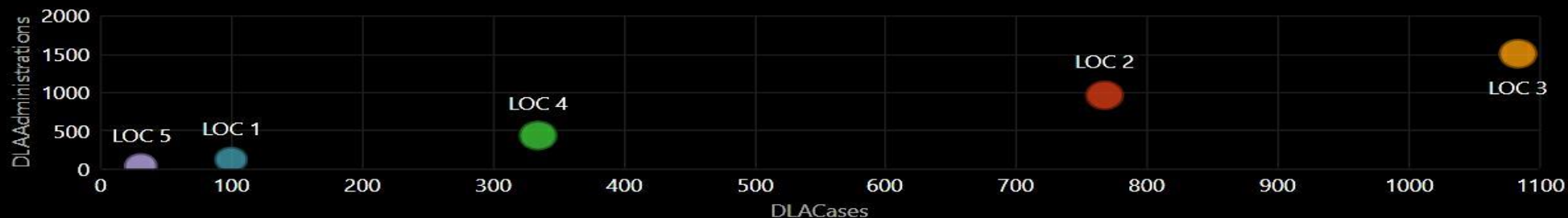- Family/Client has better understanding of illness

Level of Care # 3	SERVICE	AMOUNT	AVG COST
	Typical Length of Services: 1 to 3 Years (Reassessed every 90 days)		
	1. Diagnosis/Assessment	• Maximum of 2 contacts	
Indicators of Level:	1. Crisis Interventions	• As medically necessary	
• Qualifying DSM 5 Diagnosis (Z codes excluded) AND	1. Counseling/Psychotherapy	• Individual: Up to 12 sessions per 90 days AND/OR	
• DLA-20: 41 – 50 OR 4 DLA areas scored at 3 or lower		• Family Therapy: Up to 12 sessions per 90 days AND/OR	
• mGAF: 41– 50 with 1-4 serious areas of disturbance		• Group: Up to 12 sessions per 90 days Maximum of 36 total sessions	
	1. Medication/Somatic Services	• 4-6 contacts per 90 days	
Program-specific Criteria:	1. Community Support Services (CSS)/SPMI	• CPST • TCM • Psychosocial Individual	
• Evaluation for SPMI		• Psychosocial Group	
• Evaluation for Psych Rehab (PR)		• Peer Support • Attendant Care Combination of up to 20 hours per week of eligible CSS services	

Possible Descriptors:

- Prior history of hospitalizations - past 2 years
- No imminent danger to self or others
- Moderate structure and supports in his/her life
- Everyday functioning is seriously impaired, meaning serious impairment in work, school, stable housing, relationships, law - or -
- Serious impairment in judgment, thinking, mood, anxiety - or -
- Serious impairment due to anxiety, other symptoms (hallucinations, delusions, severe obsessional rituals), passive suicidal ideation
- Potential for compliance fair to good
- Acute stabilization may be needed

Transition/Discharge Criteria:

- Stable on medications
- Self-administers meds
- Means of obtaining meds when discharged
- Community integration
- Community support
- Medical needs addressed
- Moderate symptoms
- Moderate impairments in functioning
- Client is goal directed
- Employed or otherwise consistently engaged (volunteer, etc.)
- Client has a good understanding of illness
- Family or significant other(s) understand and support the client and the illness

2F. Outcomes Scoreboard

HRZN DLAOrg	LOC 1 LevelofCare	100 DLACases	125 DLAAdministrations	62.86 AvgDLA	0.26 DeltaScore	1.25 DLADensity
HRZN DLAOrg	LOC 2 LevelofCare	767 DLACases	973 DLAAdministrations	54.50 AvgDLA	0.85 DeltaScore	1.27 DLADensity
HRZN DLAOrg	LOC 3 LevelofCare	1083 DLACases	1509 DLAAdministrations	45.81 AvgDLA	0.15 DeltaScore	1.39 DLADensity
HRZN DLAOrg	LOC 4 LevelofCare	334 DLACases	446 DLAAdministrations	36.86 AvgDLA	0.26 DeltaScore	1.34 DLADensity
HRZN DLAOrg	LOC 5 LevelofCare	31 DLACases	35 DLAAdministrations	27.57 AvgDLA	0.33 DeltaScore	1.13 DLADensity

DLACases, DLAAdministrations, and StDevDLA by LevelofCare

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					MIN	MAX	MIN	MAX
Level of Care 3	Dx Code			INTAKE	1	2	$ 137.95	$ 275.90
	DLA-20	41 - 50	functional challenges are mild to moderate	INDIVIDUAL/FAMILY or GROUP THERAPY	1 hr	12 hrs	$ 109.04	$ 1,308.48
	mGAF	41 - 50	moderate symptoms	MED/PSYCH EVAL	1	1	$ 234.32	$ 234.32
	CAFAS	50 - 90		MEDCHECK	1	1	$ 78.11	$ 78.11
	PECFAS	50 - 90	children > 6 yrs	CPST/TCM/PS GRP/AC	48 hr	72 hr	$ 2,980.32	$ 4,470.48
	CBCL - 1	≥ 64		**TOTAL COST**			$ 3,539.74	$ 6,367.29
Level of Care 4	Dx Code			INTAKE	1	4	$ 137.95	$ 551.80
	DLA-20	31 - 40	serious, "at risk" behavioral health functional challenges	INDIVIDUAL/FAMILY or GROUP THERAPY	1 hr	15 hrs	$ 109.04	$ 1,635.6
	mGAF	31 - 40	4-6 serious symptoms of SED	MED/PSYCH EVAL	1	1	$ 234.32	$ 234.32
	CAFAS	90 - 100		MEDCHECK	1	1	$ 78.11	$ 78.11
	PECFAS	50 - 90	children > 6 yrs	CPST/TCM/PS GRP/AC	48 hr	180 hr	$ 2,980.32	$ 11,176.20
	CBCL - 1	≥ 70		WRAPAROUND	1	9 hrs	$ 73.04	$ 657.36
				PARENT SUPPORT-IND	1	12 hrs	$ 71.94	$ 863.28
				PARENT SUPPORT-GRP	1	12 hrs	$ 91.54	$ 1,098.48
				WAIVER AC	1	500 hrs	$ 57.33	$ 28,665.00
				INDEPENDENT LIVING	1	15 hrs	$ 54.90	$ 823.50
				RESPITE	1	144 hrs	$ 31.90	$ 4,593.60
				TOTAL COST			$ 3,920.39	$ 50,377.25
Level of Care 5	Dx Code			INTAKE	1	2	$ 137.95	$ 275.90
	DLA-20	≤ 30	severe behavior health challenges	INDIVIDUAL/FAMILY or GROUP THERAPY	1 hr	39 hrs	$ 109.04	$ 4,252.56
	mGAF	≤ 30	7-10 serious debilitating symptoms of SED	MED/PSYCH EVAL	1	1	$ 234.32	$ 234.32
	CAFAS	≥ 100		MEDCHECK	1	1	$ 78.11	$ 78.11
	PECFAS	≥ 100	children > 6 yrs	CPST/TCM/PS GRP/AC	48 hr	240 hr	$ 2,980.32	$ 14,901.60
	CBCL - 1	≥ 70		WRAPAROUND	1	12 hrs	$ 73.04	$ 876.48
				PARENT SUPPORT-IND	1	12 hrs	$ 71.94	$ 863.28
				PARENT SUPPORT-GRP	1	12 hrs	$ 91.54	$ 1,098.48
				WAIVER AC	1	500 hrs	$ 57.33	$ 28,665.00
				INDEPENDENT LIVING	1	15 hrs	$ 54.90	$ 823.50
				RESPITE	1	288 hrs	$ 31.90	$ 9,187.20
				TOTAL COST			$ 3,920.39	$ 61,256.43

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					MIN	MAX	MIN	MAX
Level of Care 3	Dx Code			INTAKE	1	2	$ 137.95	$ 275.90
	DLA-20	41 - 50	functional challenges are mild to moderate	INDIVIDUAL/FAMILY or GROUP THERAPY	1 hr	36 hrs	$ 109.04	$ 1,308.48
	mGAF	41 - 50	moderate symptoms	MED/PSYCH EVAL	1	1	$ 234.32	$ 234.32
	CAFAS	50 - 90		MEDCHECK	1	1	$ 78.11	$ 78.11
	PECFAS	50 - 90	children > 6 yrs	CPST	12 hr	24 hr	$ 914.52	$ 1,829.04
	CBCL - 1	≥ 64		AC	24 hr	24 hr	$ 2,105.28	$ 2,105.28
				PEER SUPPORT	12 hr	24 hr	$ 577.92	$ 1,155.84
				TOTAL COST			$ 1,473.94	$ 3,725.85
Level of Care 4	Dx Code			INTAKE	1	4	$ 137.95	$ 551.80
	DLA-20	31 - 40	serious, "at risk" behavioral health functional challenges	INDIVIDUAL/FAMILY or GROUP THERAPY	1 hr	36 hrs	$ 109.04	$ 1,635.60
	mGAF	31 - 40	4-6 serious symptoms of SED	MED/PSYCH EVAL	1	1	$ 234.32	$ 234.32
	CAFAS	90 - 100		MEDCHECK	1	1	$ 78.11	$ 78.11
	PECFAS	50 - 90	children > 6 yrs	CPST	12 hr	30 hr	$ 914.52	$ 2,286.30
	CBCL - 1	≥ 70		TCM	12 hr	30 hr	$ 832.08	$ 2,080.20
				P/S GROUP	12 hr	30 hr	$ 948.84	$ 2,372.10
				AC	12 hr	30 hr	$ 1,052.64	$ 2,631.60
				TOTAL COST			$ 4,307.50	$ 11,870.03
Level of Care 5	Dx Code			INTAKE	1	2	$ 137.95	$ 275.90
	DLA-20	≤ 30	severe behavior health challenges	INDIVIDUAL/FAMILY or GROUP THERAPY	1 hr	39 hrs	$ 109.04	$ 4,252.56
	mGAF	≤ 30	7-10 serious debilitating symptoms of SED	MED/PSYCH EVAL	1	1	$ 234.32	$ 234.32
	CAFAS	≥ 100		MEDCHECK	1	1	$ 78.11	$ 78.11
	PECFAS	≥ 100	children > 6 yrs	CPST	12 hr	45 hr	$ 914.52	$ 3,429.45
	CBCL - 1	≥ 70		TCM	12 hr	45 hr	$ 832.08	$ 3,120.30
				P/S GROUP	12 hr	45 hr	$ 948.84	$ 3,558.15
				AC	12 hr	45 hr	$ 1,052.64	$ 3,947.40
				TOTAL COST			$ 4,307.50	$ 18,896.19
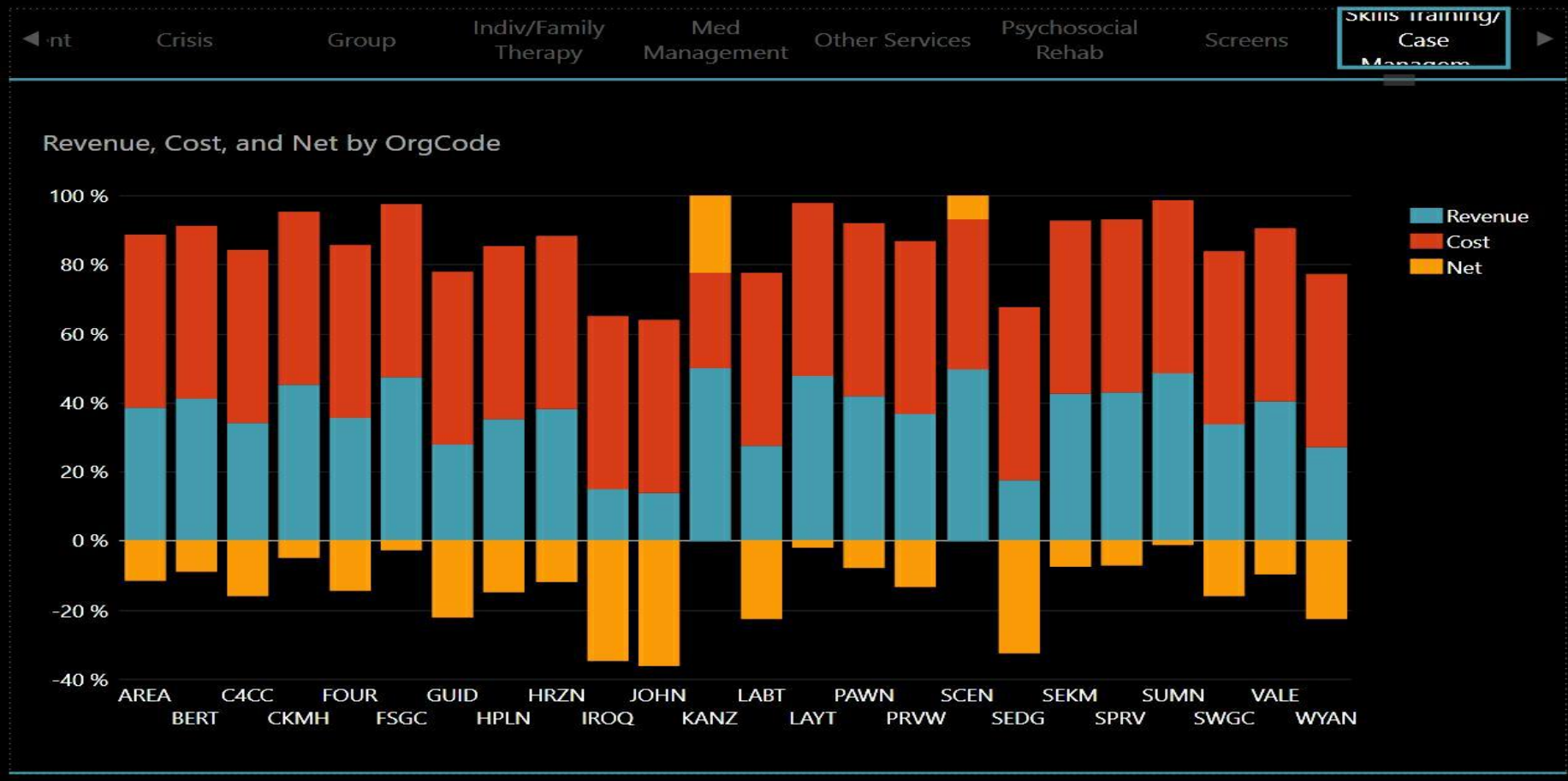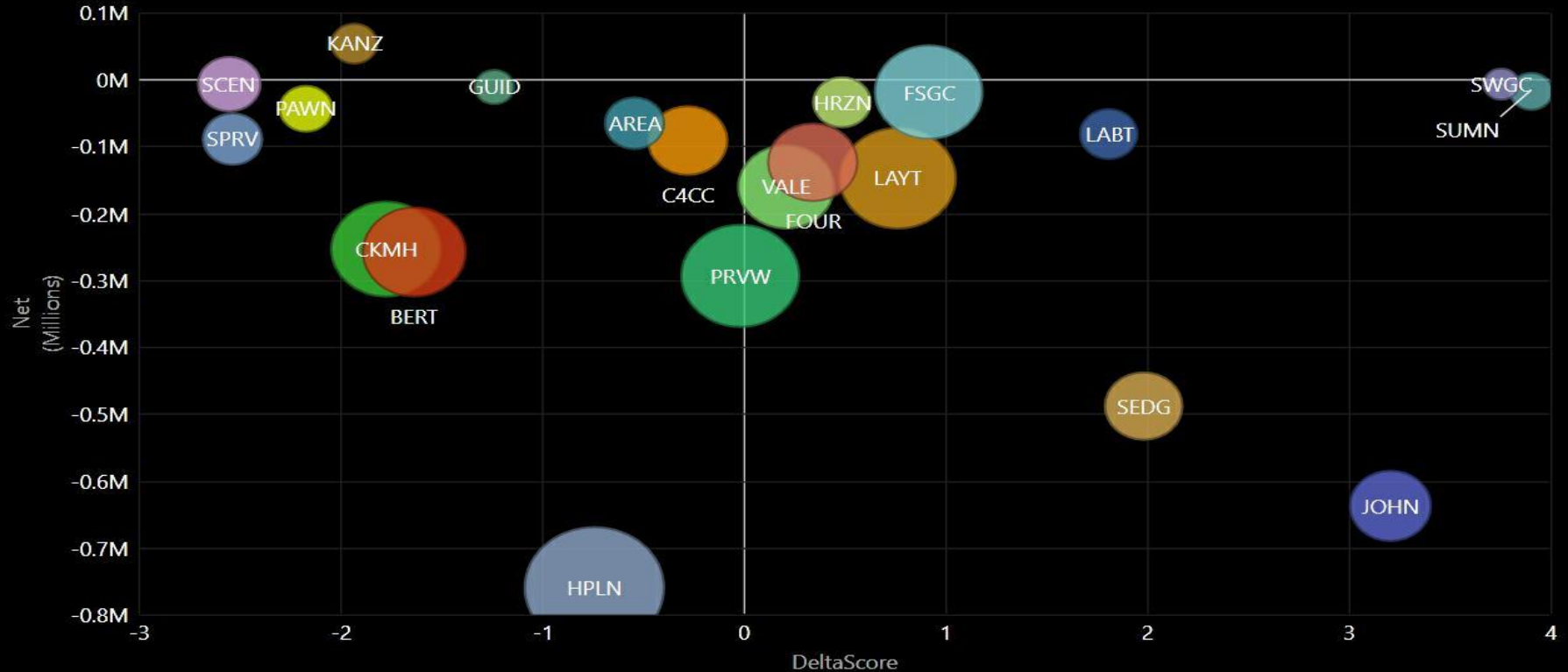
A Few of the FTC Guidelines for Independent Providers Association (IPA)

- **Network goals or benchmarks**
  - For quality, utilization, efficiency, and cost

- **Individual Participant Performance Review**
  - Against network benchmarks

- **Monitoring Program**
  - System to track participants' performance

- **Identifying Weak Points**
  - A method for identifying participants who fail to achieve the performance goals

Ready...Set…Go

Discussion

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Visit us in the Exhibit Hall